

# Delta sees strong demand persisting as it reports loss

April 13 2023

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Delta Air Lines again pointed to pent-up demand from Covid-19 as it offered a bullish second-quarter forecast.

Pointing to persistently strong flying demand, Delta Air Lines offered a bullish spring season forecast Thursday as it reported a loss in the first

quarter.

The big US carrier, the first major airline to report results, described robust bookings across the board, with both international and business travel adding to earlier recoveries in domestic leisure.

Executives attributed the continued strength to pent-up demand, still a factor three years after the peak of COVID-19.

"What we're hearing from the travelers, hearing from the market, what we're hearing from the agencies, this is a very different recovery trajectory than other [consumer businesses](#) are experiencing," said Chief Executive Ed Bastian.

For the quarter ending March 31, Delta reported a loss of \$363 million despite a 36 percent jump in revenues to \$12.8 billion.

However, results were dented by [higher costs](#) for salaries and fuel, as well as a one-time hit of \$864 million related to a four-year agreement with Delta's pilot union that included hefty pay hikes.

Delta expects record June quarter revenue, yielding profits of \$2 to \$2.25 per share, above analyst forecasts.

Although higher costs were a drag, Delta executives expect expense pressures to moderate over the course of 2023 as it spends less on [pilot training](#) and brings more staff into operations.

Executives also said they were seeing a tempering in costs from suppliers throughout their business.

Shares fell 1.0 percent shortly after midday to \$33.39.

Briefing.com described the results as "solid," but said the retreat in the stock may reflect "investors' concerns that consumers will eventually push back on higher fares and cut back on travel spending as economic headwinds persist."

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Citation: Delta sees strong demand persisting as it reports loss (2023, April 13) retrieved 5 May 2024 from <https://techxplore.com/news/2023-04-delta-strong-demand-persisting-loss.html>

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